

In spite of the success of the foreign banks, the influence of the fluctuations in exchange upon trade became even more acute than formerly after Japan and Russia adopted the gold standard in 1897^{and} after the sharp decline of silver in 1902. In the latter year there was much discussion among foreign residents in China regarding the practicability of adopting a gold-exchange standard on principles similar to those adopted in India and proposed for the Philippines. While such a project had many advocates, there was a feeling in British official quarters that it would be necessary to first diffuse throughout China a uniform silver currency in place of the great variety of coins in use before proceeding to give to such coins a definite and permanent gold value. Under the influence of these views, the commercial treaty of September 5, 1902, negotiated between the plenipotentiaries of China and Sir James Mackay on behalf of Great Britain, contained this article¹:

" ARTICLE II. China agrees to take the necessary steps to provide for a uniform national coinage which shall be legal tender for all duties, taxes, and other obligations throughout the Empire by British as well as Chinese subjects."

In pursuance of these events, the Chinese Imperial Government joined with Mexico, early in 1903, in asking the co-operation of the United States in securing " relative stability of exchange between the gold and silver countries." The result was the appointment of a Commission on International Exchange by the Governments of the United States and of Mexico for the purpose of conferring with representatives of important European powers.² China was represented at these conferences by her diplomatic repre-

¹ The text of this treaty, with annexes, is given in *Commission on International Exchange*, /ptfj, 200-214. A similar clause was embodied in the treaty of China with the United States of October 8, 1903, and with Japan.—*Commission on International Exchange*, sooj, 215-25.

² *Vide* instructions of Secretary Hay to the American Commission, *Commission on International Exchange*, 1903, 46. For the relations of Mexico to this subject, see *infra* ^ 487-89.